



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Donnie Miller, Treasurer
Eugene Yu for Congress, Inc.
4349 Miller Dr.
Evans, GA 30809

DEC 22 2015

P.O. Box 2000 ✓
Evans, GA 30809

RE: MUR 6824
Eugene Yu for Congress and Donnie
Miller in his official capacity as treasurer

Dear Mr. Miller:

On May 22, 2014, the Federal Election Commission notified you, as treasurer of Eugene Yu for Congress ("the Committee"), of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time. As we were advised on June 15, 2015, that your counsel, Ms. Janet McNeely, withdrew from her representation of you and the Committee in this matter, we are directing this correspondence to you with a copy to Mr. Yu.

Upon further review of the allegations contained in the complaint and information supplied by the Committee, through counsel, the Commission, on December 15, 2015, found that there is reason to believe the Committee and you, as treasurer, violated 52 U.S.C. § 30104(b), a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receiving this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 52 U.S.C. §§ 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.¹

¹ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

Donnie Miller, Treasurer.
MUR 6824 (Eugene Yu for Congress, Inc.)
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If you have any questions, please contact Dawn M. Odrowski, the attorney assigned to this matter, at (202) 694-1650 or by e-mail at dodrowski@fec.gov.

On behalf of the Commission,



Ann M. Ravel
Chair

Enclosures
Designation of Counsel Form
Factual and Legal Analysis

cc: Mr. Eugene Chin Yu
4349 Miller Dr.
Evans, GA 30809

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FEDERAL ELECTION COMMISSION

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RESPONDENTS: Eugene Yu for Congress, Inc., and Donnie Miller MUR 6824
in his official capacity as treasurer

FACTUAL AND LEGAL ANALYSIS

I. INTRODUCTION

The Complaint in this matter alleges that Eugene Chin Yu, a candidate in the 2014 Republican primary in Georgia's 12th Congressional District, had insufficient financial assets to make more than \$700,000 in loans to his campaign that he reported as coming from his own personal funds based primarily on information contained in the House Financial Disclosure Statement ("House FDS") Yu filed with the Office of the Clerk, U.S. House of Representatives.¹ Compl. at 1 (May 19, 2014).

Yu and his principal campaign committee, Eugene Yu for Congress ("Committee" or "Respondents"), maintain that Yu made loans to the Committee from personal funds in accordance with applicable regulations and that no facts have been presented showing that Yu used funds from any other sources. Resp. at 2 (June 9, 2014). Respondents state that Yu's House FDS shows that Yu had personal assets valued in excess of \$3 million, an amount greater than the total loans. *Id.*

The information available in the record before the Commission indicates that Yu did not have sufficient income or liquid assets, or proceeds from liquidating other assets, to loan

¹ Yu lost the May 20, 2014, Republican primary, receiving 16.5% of the vote in a five-person race. See Georgia Office of the Secretary of State website at <http://results.enr.clarityelections.com/GA/51345/132192/en/summary.html>.

1 his Committee \$790,704 from personal funds,² the total amount of candidate loans reported
2 during the 2014 election cycle, or that the Committee did not report a loan Yu received for the
3 purpose of funding his loans to the campaign.³ Therefore, the Commission finds reason to
4 believe that Eugene Yu for Congress and Donnie Miller in his official capacity as treasurer
5 violated 52 U.S.C. § 30104(b) (formerly 2 U.S.C. § 434(b)).

6 II. FACTS

7 A. Senate Candidacy, Candidate Loans, and Senate Financial Disclosure 8 Statement

9
10 On July 11, 2013, Eugene Yu filed a Statement of Candidacy for the U.S. Senate
11 election in Georgia and designated the Committee as his principal campaign committee. On
12 July 17, 2013, Yu filed a Financial Disclosure Report with the Secretary of the U.S. Senate
13 ("Senate FDR").⁴ Yu disclosed no salary or earned income. He disclosed rental income from
14 a commercial property in the range of \$50,001 to \$100,000, and compensation from one
15 source in excess of \$5,000 from a company in which Yu owned stock.⁵ Yu also disclosed

² The Complaint alleges that Yu made \$736,000 in loans from personal funds; the \$790,704 figure includes personal loans made after the Complaint was filed.

³ As noted in Attachment A, a chart entitled "All Loans Made by Yu to Committee Reported as From Personal Loans," the Committee's reports reflect that \$14,200 of the total loan amount was repaid prior to the primary election. Attachment A. In addition, in response to a Request for Additional Information from the Commission's Reports Analysis Division, the Committee has converted the outstanding personal loans aggregating in excess of \$250,000 to contributions in accordance with 52 U.S.C. § 30116(j) (formerly 2 U.S.C. § 441a(j)) and 11 C.F.R. § 116.11. See *id.*, note 2; Amended 2014 July Quarterly Report (Aug. 28, 2014) at 5 (memo text); 2014 October Quarterly Report at 5 (Oct. 1, 2014).

⁴ Candidates seeking election to the U.S. Senate and U.S. House are required to file financial disclosure reports by the Ethics in Government Act ("EIGA"), 2 U.S.C. § 101 *et seq.* Although the instructions for the Senate FDR specify the reporting period for most of the information in the report is January 1, 2012, through the date of filing (July 17, 2013 in this case), Yu lists 2012 as the reporting period. Public Financial Disclosure Report eFD Instructions, Senate Select Committee on Ethics, at 3-4 (2014) ("Senate FDR Instructions"). Yu amended his Senate FDR on October 23 and November 4, 2013, in response to questions from the reviewing office.

⁵ Part X of the Senate FDR, "Compensation From One Source in Excess of \$5,000," does not require filers to disclose a specific figure. Candidates are required to list in this section compensation received in the

1 assets: a money market account in the range of \$1,001 to \$15,000;⁶ stocks in two Korean
2 companies, Inspirit, Inc., and Enspert, Inc., and three properties – the commercial property
3 (noted above), vacant land described as “Land-Greene Co.,” and a condominium.⁷ These
4 assets, with a combined disclosed value ranging from \$2,450,000 to \$11,000,000, were listed
5 as owned by Yu except for the Greene County land reported as owned by Yu’s spouse. Thus,
6 Yu’s share of the disclosed stock and property as of December 31, 2012, was reportedly
7 valued between \$2,350,000 and \$10,750,000.⁸ In a November 2013 amendment to the Senate
8 FDR, however, Yu stated that Inspirit, Inc. went out of business in 2012.⁹ Similarly, Yu
9 reported the value of the second stock, Enspert, Inc., in the range of \$100,001 to \$250,000,
10 but it is unclear whether this public company’s stock maintained its value because it is no
11 longer listed on any major stock exchange. Yu’s listing of the stocks in the Senate FDR
12 seems to be appropriate because he held the stock during the reporting period, but the reported
13 value of the stocks may not have reflected their value at the time Yu loaned funds to the
14 Committee. A filer must report the value of an asset as of any date within 31 days before or
15 after the filing date. See Senate FDR Instructions at 3.

current year and the preceding two calendar years. Senate FDR Instructions at 4. Since Yu reported no income in 2012, it may be that he received this compensation in 2011.

⁶ Yu disclosed that he received no income or less than \$200 from the money market account.

⁷ Yu disclosed that he received no income or less than \$200 from the vacant land and condominium.

⁸ The only liability reported against the disclosed assets is a home equity loan incurred in 2012 in the range of \$50,001 to \$100,000. Yu reported that loan as his spouse’s liability; however. In addition, in both the Senate FDR and House FDS, Yu reports mortgages on his residence and on the condominium, incurred in 2000 and 2002, respectively.

⁹ In reply to an inquiry from the Senate’s reviewing office about compensation he received from Inspirit, Yu said “... Inspirit, Inc. went out of business in 2012.” Senate FDR at 10 (Nov. 4, 2013).

1 During the course of Yu's Senate campaign, the Committee disclosed that Yu made 26
2 separate loans to the campaign, totaling \$438,204. *See* Attachment A (chart, "All Loans
3 Made by Yu to Committee From Personal Funds"). The source of each of these loans was
4 listed as "Eugene Yu."

5 **B. Congressional Candidacy, Candidate Loans, and House Financial**
6 **Disclosure Statement**
7

8 On March 4, 2014, Yu filed a Statement of Candidacy for the House election in the
9 12th Congressional District and an Amended Statement of Organization changing the name of
10 Eugene Yu for U.S. Senate to Eugene Yu for Congress, Inc.¹⁰ Yu made an additional eight
11 loans in connection with his House campaign totaling \$352,500 (making the aggregate loan
12 total during both campaigns \$790,704.21). *See* Attachment A. Again, the Committee's
13 disclosure reports listed the source of the loans as "Eugene Yu."

14 Yu filed the House FDS on March 26, 2014. This statement, together with the Senate
15 FDR, provides information about Yu's finances from January 1, 2012, through an unspecified
16 date between February 24, 2014 and March 26, 2014.¹¹ Yu reported the same assets in the
17 House FDS, including the stocks from the apparently defunct companies, with a few increases
18 in the asset value ranges. All of the properties and stocks, however, were listed as jointly
19 owned by Yu and his spouse, including the vacant Greene County land reported in the Senate

¹⁰ The Committee disclosed financial activity for both Yu's Senate and House races.

¹¹ The reporting period for most of the information in the House FDS begins on January 1, 2013. The Commission does not know the precise date of the end of the reporting period because it covers "through a date in the current calendar year within 30 days of the date of filing *as selected by the candidate*." Here, that date falls between February 24 and March 26, 2014. *Instruction Guide for Completing Financial Disclosure Statements and Periodic Transaction Reports, U.S. House of Representatives, Committee on Ethics at 7 (2014) ("House FDS Instructions")* (emphasis added). In both the House FDS and Senate FDR, certain information, such as positions held in organizations and compensation in excess of \$5,000 paid by one source, must be reported for the current year and two preceding calendar years. House FDS Instructions at 7; Senate FDR Instructions at 4.

1 FDR as owned by Yu's spouse. Once again, Yu listed no salary or earned income, a money
2 market account now valued in the range of \$15,001 to \$50,000, rental income from the
3 commercial property in the range of \$50,001 to \$100,000 for 2013 and 2014, and interest
4 income in the range of \$1 to \$200 from the money market account in 2013 and 2014. *See*
5 *Compl.* at 3-4. Yu also disclosed a home equity loan in the range of \$15,001 to \$50,000
6 obtained in April 2013 (a month before Yu made the first two loans to his campaign, totaling
7 \$50,000). *Id.* at 4. *See also* Attachment A. Yu listed the loan as a joint liability with his
8 spouse.¹² *Id.* at 4. The combined value of the stock and properties as of February or March
9 2014, based on an increased value and a reported change in ownership of the Greene County
10 land, ranged from \$2,600,000 to \$11,250,000. Yu's share of these assets ranged from
11 \$1,300,000 to \$5,625,000.

12 C. The Complaint

13 The Complaint alleges that Yu had insufficient personal funds to loan his federal
14 campaigns \$736,000. The Complaint bases its allegations on Yu's House FDS and a press
15 report analyzing the information contained in the disclosure statement. *See Compl.* at 3-4, 12-
16 13, *citing* Walter Jones, Morris News Service, *Source of Yu Funds Remains a Mystery*, THE
17 AUGUSTA CHRONICLE (May 9, 2014). The gravamen of the Complaint was that Yu's House
18 FDS listed at most \$50,000 in a money market account; that income from Yu's investment
19 income was a fraction of the funds loaned as of that date; that one of the companies in which
20 Yu reported owning stocks "effectively folded" (an apparent reference to the Inspirit stock);

¹² As noted, *supra* at note 8, Yu also reports in the Senate FDR a home equity loan incurred in 2012 in the range of \$50,001 to \$100,000, but it is listed as his spouse's liability.

1 and that Yu already had a first and second mortgage on his home before he started his Senate
2 campaign.¹³ Compl. at 12-13.

3 **D. Response to Complaint**

4 Respondents assert that Yu made “several” loans from personal funds in accordance
5 with applicable regulations and that the House FDS shows that Yu had assets valued at “well
6 over \$3 million,” an amount greater than the loans he made. Resp. at 2. Respondents provide
7 no information, however, as to whether or how any of Yu’s reported assets may have been
8 converted to cash to finance the loans given the comparatively modest level of liquid assets
9 reported on his House FDS. Instead, Respondents assert that “as of this writing, no facts have
10 been presented to show that Mr. Yu used funds other than personal funds in the loans made to
11 his committee.” *Id.*

12 **III. LEGAL ANALYSIS**

13 Federal candidates may make unlimited contributions from their “personal funds” to
14 their campaigns. 11 C.F.R. § 110.10; *see also Buckley v. Valeo*, 424 U.S. 1, 54 (1976)
15 (holding restrictions on candidate’s expenditures from personal funds unconstitutional).

16 Under the Act and Commission regulations, “personal funds” of a candidate means an amount
17 that is derived from:

18 (A) any asset that, under applicable State law, at the time the
19 individual became a candidate, the candidate had legal right of
20 access to or control over, and with respect to which the
21 candidate had:

- 22
23 (i) legal and rightful title; or
24 (ii) an equitable interest;
25

¹³ The article’s reference to two mortgages on Yu’s home appears to assume the 2002 home mortgage and the April 2013 home equity loan listed in the House FDS were loans against the Yu’s residence.

1 (B) income received during the current election cycle of the candidate, including—
2

- 3 (i) a salary and other earned income from bona fide employment;
4 (ii) dividends and proceeds from the sale of the candidate's stocks or
5 other investments;
6 (iii) bequests to the candidate;
7 (iv) income from trusts established before the beginning of the election
8 cycle;
9 (v) income from trusts established by bequest after the beginning of the
10 election cycle of which the candidate is the beneficiary;
11 (vi) gifts of a personal nature that had been customarily received by the
12 candidate prior to the beginning of the election cycle; and
13 (vii) proceeds from lotteries and similar legal games of chance; and
14

15 (C) a portion of assets that are jointly owned by the candidate and the
16 candidate's spouse equal to the candidate's share of the asset under the
17 instrument of conveyance or ownership, but if no specific share is indicated
18 by an instrument of conveyance or ownership, the value of 1/2 of the
19 property.
20

21 52 U.S.C. § 30101(26) (formerly 2 U.S.C. § 431(26)); *see also* 11 C.F.R. § 100.33.
22

23 Committees must report receipt of all contributions and loans from candidates.

24 52 U.S.C. § 30104(b)(2). If a candidate borrows funds from a bank or lending institution for
25 the purpose of providing the funds to his campaign committee, the campaign committee must
26 disclose on its reports (i) the date, amount, and interest rate of the loan; (ii) the name and
27 address of the lending institution; and (iii) the types and value of collateral or other sources of
28 repayment that secure the loan, if any. 11 C.F.R. § 104.3(d)(4).

29 Yu loaned the Committee \$428,984 as of February 24, 2014. Yu made an additional
30 \$361,720 in loans after February 24, 2014. Respondents assert that Yu made these loans to
31 the Committee from personal funds in accordance with applicable regulations and maintain
32 that the House FDS shows that Yu had assets valued at well over \$3 million.

33 However, based on Yu's House and Senate financial disclosure documents, it appears
34 he had at most approximately \$215,001 in liquid assets from which to make loans to the

1 Committee as of February or March 2014, the end of the period covered by the House FDS.
2 The \$215,001 figure is comprised of Yu's share of rental income from commercial property at
3 the highest range for 2013 and 2014 (\$100,000, half of the possible \$200,000 in income
4 received in those years when Yu reported the property as jointly owned), funds in the money
5 market account as of the end of 2012 and in 2014 at the highest ranges (\$15,001 and \$50,000,
6 respectively), and \$50,000 from the home equity loan obtained in April 2013, assuming that
7 Yu's share of equity in the underlying jointly owned property is at least that amount.¹⁴ The
8 fact that Yu reported the same stocks and properties with the same or increased values and no
9 liabilities related to those assets in both the Senate FDR and House FDS indicates he had not
10 liquidated or obtained loans against them to finance his campaign as of the end of the House
11 FDS coverage period.¹⁵ Moreover, it appears that the stocks Yu reported may have had little
12 value as of the end of 2012 and the Greene County land may not be owned by Yu.

13 The reported value of Yu's share of the remaining jointly owned properties – the
14 commercial property and condominium – ranges from \$625,000 to \$2,725,000. It is possible

¹⁴ The Commission has not included in this figure the \$100,000 in rental income received from the commercial property in 2012 when Yu reported solely owning the property because presumably any funds unspent before Yu began his campaign in 2013 would be included in the balance of the money market account. Similarly, the Commission did not include the interest income on the money market account because those small amounts should also be reflected in the account balance. The Commission included the full balances of the money market account in 2012 and 2014 based on previous MURs where the Commission treated funds in a jointly held bank account with a spouse as an exception to the 'one half interest rule' for jointly held accounts under former 11 C.F.R. § 110.10(b)(3) (current 11 C.F.R. § 100.33(c)) because the Commission has determined in previous MURs that each joint account holder has access and control over the whole. *See, e.g.*, MURs 3505, 3560 and 3569 (Citizens for Ron Klink, *et.al.*); MUR 2292 (Stein for Congress). *But see* MUR 6341 (Adams for Congress) (Commission dismissed matter involving a \$50,000 loan possibly financed by the candidate's deceased father and revised the Factual and Legal Analysis to delete language citing to MUR 3505 and the exception to the 'one half interest rule' for jointly held accounts). Certification, MUR 6341 (Mar. 15, 2011).

¹⁵ Yu does not list his residence as an asset although he discloses a 2002 home mortgage and the 2013 home equity loan, presumably on that property. Neither the Senate FDR nor the House FDS require candidates (unless they are members of Congress) to disclose a residence or any other property or report mortgages on them unless the properties generate income or are held for investment purposes. *See* Senate FDR Instructions at 10 and 16; House FDS Instructions at 15 and 30.

1 that Yu could have sold one or more of his listed assets or obtained loans with the real estate
2 serving as collateral after he filed the House FDS. But the Commission has no information
3 that reflect sales of these properties or information as to whether Yu obtained loans against
4 them in 2014. Again, if Yu borrowed funds from a bank to fund his campaign, those loans
5 should have been reported as bank loans.

6 In MUR 5724 (Jim Feldkamp for Congress), a matter similar to this case, the
7 Commission found reason to believe that Feldkamp and his committee may have accepted
8 excessive contributions and that the committee may have violated the reporting provisions of
9 the Act in connection with \$77,500 in loans Feldkamp made to the committee purportedly
10 from personal funds. Feldkamp's House FDS disclosed no liquid assets or salary in 2004
11 when he made the loans, and income from non-liquid assets of only about \$10,000. Factual
12 and Legal Analysis at 2-3 ("F&LA"), MUR 5724; Certification, *id.* (Dec. 14, 2006).¹⁶
13 Although Feldkamp reported between \$1.1 million and \$5.4 million in non-liquid assets, his
14 response did not indicate that he liquidated any assets to fund the loans. F&LA at 2-3.
15 Feldkamp responded only that he had sufficient personal funds through those non-liquid
16 assets, salaries from several jobs that he had not disclosed on his House FDS, and a history of
17 gifts from his mother, and he asserted that the funds for the loans came from his own bank
18 account. *Id.* at 3-4. Feldkamp did not disclose a bank account on the House FDS, and he did
19 not provide any information about the account or the source of funds in it in his response. *Id.*
20 The Commission concluded that, based on the available information, it appeared that
21 Feldkamp had insufficient income to make the loans to his campaign, had not liquidated any

¹⁶ The investigation in MUR 5724 determined that Feldkamp's mother was the source of the funds. See Second GCR, MUR 5724. The Commission closed the file on October 7, 2008, after splitting 3-2 on a vote to approve recommended additional reason to believe findings against Feldkamp's mother and a proposed conciliation agreement. Certification, *id.* (Oct. 7, 2008).

1 assets to finance them, and that his assertions about the source of the loans were not supported
2 by the information disclosed in the House FDS or in his response. *Id.* at 4-5.

3 As in MUR 5724, the available information in this matter suggests that Yu had
4 insufficient liquid assets to loan \$790,704 to the Committee from personal funds and that he
5 did not liquidate other assets to finance them as of February or March 2014. Like Feldkamp,
6 Respondents in this matter maintain only that the loans were from personal funds but provide
7 no information as to how Yu financed the loans using his reported assets. The modest amount
8 of Yu's available liquid assets, the fact that Yu financed his first \$50,000 in loans to the
9 Committee about a month after taking out a home equity loan of between \$15,001 and
10 \$50,000, and the general nature of Respondents' response raise an inference that Yu may have
11 inaccurately reported the source of the funds the Committee reported as loans from Yu.
12 Therefore, the Commission finds reason to believe that Eugene Yu for Congress and Donnie
13 Miller in his official capacity as treasurer violated 52 U.S.C. § 30104(b) (formerly 2 U.S.C.
14 § 434(b)).

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MUR 6824 – FACTUAL AND LEGAL ANALYSIS – ATTACHMENT A

All Loans Made by Yu to Committee Reported as From Personal Funds

DATE LOAN INCURRED	LOAN AMOUNT	LOAN PAYMENTS	LOAN BALANCE
5/15/2013	\$ 10,000.00	\$7,200 on 7/29/13	\$ 2,800.00
5/24/2013	\$ 40,000.00		\$ 40,000.00
6/12/2013	\$ 1,500.00		\$ 1,500.00
6/26/2013	\$ 6,308.24		\$ 6,308.24
6/29/2013	\$ 500.00		\$ 500.00
7/13/2013	\$ 5,160.00		\$ 5,160.00
7/17/2013	\$ 50,000.00		\$ 50,000.00
7/26/2013	\$ 10,877.36		\$ 10,877.36
9/25/2013	\$ 3,209.50		\$ 3,209.50
10/1/2013	\$ 55,000.00		\$ 55,000.00
10/15/2013	\$ 29,829.71		\$ 29,829.71
10/31/2013	\$ 3,522.50		\$ 3,522.50
11/15/2013	\$ 8,451.38		\$ 8,451.38
11/18/2013	\$ 80,000.00		\$ 80,000.00
11/26/2013	\$ 20,000.00		\$ 20,000.00
12/11/2013	\$ 25,000.00		\$ 25,000.00
12/15/2013	\$ 14,986.55		\$ 14,986.55
12/18/2013	\$ 1,000.00		\$ 1,000.00
12/19/2013	\$ 50,000.00		\$ 50,000.00
12/27/2013	\$ 3,000.00		\$ 3,000.00

The loans incurred on 6/26/13, 7/13/13, 7/26/13 and 9/25/13, totaling \$25,550.10, were first reported in the recently Amended 2013 October Quarterly Report (Aug. 29, 2014) in response to a Request for Additional Information ("RFAI") from the Commission's Reports Analysis Division ("RAD"). The RFAI asked for information, *inter alia*, regarding a negative ending cash-on-hand balance of \$-26,098.59 on the previously amended 2013 October Quarterly Report. See RFAI Re: Amended 2013 October Quarterly Report received June 6, 2014 (July 29, 2014). In an August 28, 2014, cover letter accompanying the August 29, 2014 amendment, the Committee responded that since there had never been a negative balance, it had reviewed its records and discovered that Yu had been using personal funds to pay expenses at the beginning of the campaign. Amended 2013 October Quarterly Report (August 29, 2014). Though the expenses had been reported, the Committee stated that no "offsetting loans" from Yu, presumably representing funds used to pay the expenses, had been reported and that the amended report had corrected the issue. *Id.*

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DATE LOAN INCURRED	LOAN AMOUNT	LOAN REPAYMENTS	LOAN BALANCE
1/30/2014	\$ 1,138.97		\$ 1,138.97
2/3/2014	\$ 1,500.00	\$1,500 on 4/14/14	0.00
2/7/2014	\$ 5,000.00	\$2,000 on 4/14/14	0.00
2/10/2014	\$ 3,000.00		\$ 3,000.00
2/26/2014	\$ 4,000.00		\$ 4,000.00
2/27/2014	\$ 5,220.00		\$ 5,220.00
3/5/2014	\$ 5,000.00		\$ 5,000.00
3/10/2014	\$ 3,500.00	\$3,000 on 3/26/14 \$ 500 on 4/14/14	
3/13/2014	\$ 20,000.00		\$ 20,000.00
3/25/2014	\$240,000.00		\$240,000.00
5/14/2014	\$ 30,000.00		\$ 30,000.00
5/16/2014	\$ 40,000.00		\$ 40,000.00
8/4/2014	\$ 4,000.00		\$ 4,000.00
8/4/2014	\$ 10,000.00		\$ 10,000.00
TOTAL	\$790,704.21	\$ 14,200.00	\$776,504.21³

² The 2/7/14 and 3/10/14 loans are reported on Schedules A and C of the Committee's Amended 2014 April Quarterly Report. Amended 2014 April Quarterly Report at 15, 17, 45, 50 (Aug. 29, 2014). The loans no longer appear on Schedule C of the Amended 2014 Pre-Primary Report. The Commission infers from two loan repayments reported on Schedule B of the Amended 2014 Pre-Primary Report that match the balances of these loans as reflected in the Amended April Quarterly Report that they were repaid. See Amended 2014 Pre-Primary Report at 25 (Aug. 28, 2014).

³ In response to an RFAI from RAD, the Committee has converted the outstanding personal loans aggregating in excess of \$250,000 to contributions in accordance with 52 U.S.C. § 30116(j) (formerly 2 U.S.C. § 441a(j)) and 11 C.F.R. § 116.11. See note 2; Amended 2014 July Quarterly Report (Aug. 28, 2014) at 5 (memo-text); 2014 October Quarterly Report at 5 (Oct. 1, 2014).